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**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

Hoy's Inc., Skill Properties, LLC, James Massengill, Kaylea Massengill and Haldun, Inc.,

Plaintiffs/Counter-
Defendants,

vs.
EBJ&F, LLC, Med-Health Pharmaceutical Products, LLC and Edwin Fujinaga.

Defendants.

EBJ&F, LLC, Med-Health Pharmaceutical
Products, LLC and Edwin Fujinaga

Counterclaimants.

Hoy's Inc., Skill Properties, LLC, James Massengill, Kaylea Massengill and Haldun, Inc., DOES I through X; ROE CORPORATIONS XI through XX, inclusive,

Counter-Defendants.

Case No.: 2:13-cv-00912-APG-VCF

**JOINT STATUS REPORT AND MOTION
FOR EXTENSION OF STAY TO
SUBMIT SCHEDULING ORDER TO
COURT**

ORDER

Plaintiffs/Counter-Defendants Hoy's Inc., Skill Properties, LLC, James Massengill, Kaylea Massengill and Haldun, Inc. ("Plaintiffs") and Defendant/Counterclaimants EBJ & F, Med-Health Pharmaceutical Products, and Edwin Fujinaga ("Defendants") respectfully file this Joint Status Report to the Court pursuant to the Court's September 3, 2014 Order granting the Parties' Joint Motion To Extend Stay. The parties also move the Court to extend the stay for one week to permit the parties to submit a new proposed scheduling order.

STATUS

1. On April 14, 2014, the parties held a private mediation in this matter and reached a tentative resolution of the litigation. As there are two additional lawsuits involving the Defendants in which injunctions had been entered, the parties' agreement was made contingent upon court approval in these separate actions.

2. On May 19, 2014, the parties executed a final settlement agreement (the “**Settlement Agreement**”). Counsel for Defendants transmitted the Settlement Agreement to counsel for the Securities and Exchange Commission (“SEC”), and both counsel for Plaintiffs and counsel for Defendants communicated with the SEC regarding whether the SEC would object to a request that the court in the SEC litigation approve the payment set forth in the Settlement Agreement.

3. The SEC communicated its opposition to the payment proposed in the Settlement Agreement. Consequently, the parties did not move the court in the SEC litigation to approve the Settlement Agreement, and the parties explored other settlement options that might be more palatable to the SEC. The parties have not been able to reach an agreement regarding alternative settlement arrangements.

4. The court-ordered accountant in the SEC litigation released a draft report, which as of yet has not been finalized. Defendants' counsel believed that, in light of the report, the court in the SEC litigation would approve the payment set forth in the Settlement Agreement despite any objections from the SEC.

5. The parties asked the Court to extend the stay to permit counsel for Plaintiffs to review this draft report. The parties submitted, and the Court approved on August 29, 2014, a stipulated Protective Order, which would allow counsel for Defendants to produce the draft report to counsel for Plaintiffs.

6. On Friday, August 29, 2014, counsel for Defendants produced the draft report to counsel for Plaintiffs. The report was made final on September 9, 2014, and produced the SEC and to the Court in the SEC litigation.

7. In the SEC litigation, the SEC has moved for the appointment of an equitable receiver; the Motion has been opposed by Defendants, and the Court in the SEC litigation has not yet issued an order or set a hearing date.

8. The parties have not yet moved the Court for approval of the settlement based upon these issues, and have been unable to as of yet agree on new settlement terms.

9. Counsel for Defendants believes that, given the assets as described in the McGladrey Report, as well as a recent potential pending option to sell numerous property interests of the Defendants (i.e., a listing/sale occurring with SEC/Court Approval), that the Court could ultimately approve the settlement despite an objection from the SEC.

10. However, at the present time, and given the parties' inability to agree on whether to pursue the settlement agreement in its current form, the parties have agreed to meet and confer and continue to explore options, but are requesting an additional one (1) week to finalize a new scheduling order after meeting and conferring further on additional dates.

MOTION

11. Counsel for the Parties, as set forth above, respectfully request a one week extension of time to meet and confer and finalize a new proposed scheduling order to the Honorable Court. In the interim, the parties will continue to explore settlement, but both feel that proceeding with the litigation in the interim is in the best interests of the Parties.

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2 WHEREFORE, the parties request that the Court extend the stay of the proceedings
3 for an additional one (1) week to allow the parties to submit a new proposed scheduling
4 order to the Court.

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6 Respectfully submitted,
7 By: /s/ Daniel W. Glasser, Esq.
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Attorneys for Defendant/Counterclaimants

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ORDER

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UPON CONSIDERATION of the Parties' Joint Status Report And Motion For
Extension Of Stay To Submit Scheduling Order To Court, and for good cause shown, it is
hereby ORDERED that the Joint Motion is GRANTED.

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It is further ORDERED that the parties shall file an Amended Scheduling Order by
October 9, 2014.

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Dated: October 3, 2014.

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United States District Court Judge

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